

May 1, 2009

“Direct communication from Baptist Health Care senior leaders to employees to provide meaningful updates about our journey to excellence”



Al Stubblefield
President & CEO
Baptist Health Care

I am thrilled to share that Baptist Health Care's financial results for the first six months of this fiscal year, October 2008 through April 2009, are substantially ahead of budget.

Exceeding budget halfway through the fiscal year is a significant achievement and is especially remarkable during this year's tough economic state. Everyone has worked hard to right-size our costs. Almost every entity is above budget, and those that aren't have plans to get there.

Our volumes are up, our operating revenue is up and we're meeting the needs of our community's patients and families. We are truly blessed to be able to exceed budget while caring for the growing number of uninsured that need our help. Thank you to all of you who have made this happen during these tough times.



Gary Bemby
Senior Vice President,
BHC
President, Lakeview
Center Inc.

The Lakeview Center Pharmacy is breaking records for growth. In March, the pharmacy's third-party prescription sales totaled more than \$143,500 - the highest revenue on record and a 60 percent increase over the same period in 2008. A third-party sale is one paid by insurance, Medicaid or another source other than the person for whom the prescription was written.

For the sixth consecutive month, the number of clients served by the pharmacy also grew, totaling 356 - a 70 percent increase over the same period last year. The Lakeview Center Pharmacy staff continues to provide service excellence, meeting the needs of our growing clientele. Congratulations to the staff for all of their efforts in improving the quality of life for our clients, employees and community.



Mark Faulkner
Senior Vice President,
BHC
President, Baptist
Hospital Inc.

It's great to see our inpatient satisfaction results bounce back to levels we're accustomed to. Thank you for your focus on meeting and exceeding patient expectations.

As we were recently reminded during our April Standard of the Month focus on Superior Service and by Eli Pagonis' Moments of Truth presentations, every encounter with our patients, visitors and co-workers matters. Last week at church a gentleman came up to me and said, "I was in your hospital today visiting a friend and everyone spoke to me. They didn't just grumble or grunt; they were very pleasant."

This is a great segway into the Standard of the Month for May - Communication. Let's keep up the efforts throughout the entire facility: one patient, one encounter at a time.



Joe Felkner
Senior Vice President,
& Chief Strategy Officer
Baptist Health Care

Baptist Health Care (BHC) recently formed a new company, Baptist Medical Group (BMG) to provide management services and the needed infrastructure to ensure the success of our employed primary care and specialty physicians. BMG will offer practice management; the provision of information technology, including an electronic health record; and billing and collection services. These same services will also be available to loyal independent physicians on a nominal fee-for-service basis.

BHC welcomes Medical Oncologist German Herrera, M.D., as the first employed oncologist at BHC. Dr. Herrera joins the Baptist Cancer Institute team today, bringing more than 14 years experience in treating and caring for cancer patients and their families.



Bob Harriman
Senior Vice President,
BHC
Administrator, Gulf
Breeze Hospital
& Andrews Institute

Three Baptist Health Care facilities – Andrews Institute for Orthopaedics & Sports Medicine/Gulf Breeze Hospital, Baptist Medical Park - Navarre and Baptist Medical Park - Nine Mile – hosted sports physicals for Escambia and Santa Rosa county athletes on Saturday, April 25. Each year, BHC staff and affiliated physicians volunteer their time to provide these free screenings to benefit our local athletes.

This year, a combined total of more than 1,800 high school athletes were screened as follows:

- Andrews Institute/Gulf Breeze Hospital - 674
- Baptist Medical Park - Nine Mile - 827
- Baptist Medical Park - Navarre - 331

Thank you to every volunteer for the tremendous dedication and service to our community.



Sherry Hartnett
Vice President Strategic
Marketing
Baptist Health Care

Think about national companies such as Disney® or the Ritz-Carlton®. Each evokes feelings or at least associations in your mind. Much like a person's name, a company's brand is its personality, its culture. To ensure companies reflect their unique brands, they must stop periodically and ask those around them.

As you would expect, the BHC brand begins and ends with our employees. Therefore, the current employee pulse survey is an excellent opportunity to ask you important questions that will drive the future of our brand. We want to know how you feel about Baptist Health Care's role as an employer, health care provider and corporate citizen. What do you think our culture strengths and opportunities for improvement are? Your valuable input will help ensure we are ideally positioned to grow in service to the community. Thank you.



Jay Hospital is making it easier for patients in our community to get the care they need. Mark Larkins, M.D., pain management, will begin seeing patients in our outpatient specialty clinic in May. He'll travel to Jay on the second and fourth Tuesdays of each month. Earlier this fiscal year, orthopaedics doctors Christopher O'Grady, M.D., and Roger Ostrander, M.D., established clinic hours in Jay as well. As the number of physician specialists increases so do referrals to ancillary services such as lab, diagnostic imaging and physical therapy. Our team is pleased to offer the

Mike Hutchins
Vice President, BHC
Administrator, Jay
Hospital

community convenient access to these services and specialty physicians. We look forward to continued growth.



Dave Rappa
Vice President, BHC
Administrator, Baptist
Manor

With the last week of April being the end of the regular legislative session for 2009, FHCA members, nursing home owners and administrators and staff continued to urge legislators to oppose nursing home funding cuts. Legislators were asked to use any available resources, including federal stimulus dollars from Washington, to prevent these cuts. Both the Florida Senate and House have proposed a total of \$150 million cuts to Medicaid funding.

However, we need to identify alternatives to cutting critical services to our most vulnerable citizens. We need long-term solutions to raise revenues to provide a stable funding source for the quality care our elderly residents deserve. Funding cuts would almost certainly lead to job cuts in critical nursing home staffing.

Baptist Manor, along with all the other nursing home facilities, anxiously awaits the final decision on this vital funding for our elderly residents.